

Preserve

2/8/27

1926:7.

G.F.

125

File No. ~~126~~ 26

Previous References

G.O. No. 2080-9/G.F. 79.25.27 15th Oct. 1926.

Audit & Appropriation Report for 1924-25.

Later References

G.F. 138.26.3

G.F. 11.27.34

G.F. 46-29-1

General and Revenue Secretariat.

G.F. 213-25-142

G.F. 146-26(44)

G.F. 104-50-142.

Serial Nos. Two.

Part B for April 1927.

SUBJECT

Reports that the Government of India have at the instance of the Central Committee on Public Accounts adopted a revised set of rules for the preparation of the Audit and Appropriation Report and request sanction to the adoption of the same rules in Mysore.

Shes. 2.

To The Comptroller to Govt.

No. 8084 of 16.4.27

Approves of the Comptroller's proposal for the revision of the Audit and Appropriation Report

AP 8/6.

**GOVERNMENT OF HIS HIGHNESS THE MAHARAJA
OF MYSORE.**

PUBLIC WORKS DEPARTMENT.

G. O. No. P. W. 2581-88—Irn. 13-46-2, dated 18th October—7th November 1946.

Lakkavalli Reservoir Scheme.

Accords administrative sanction to the — costing Rs. 890 lakhs.

READ—

Letter No. (D. O.) No. C. 23, dated 25th July 1946, from the Chief Engineer for Irrigation, submitting proposals for taking up the works connected with the construction of a Reservoir across the Bhadra at Lakkavalli in Kadur District.

ORDER THEREON No. P. W. 2581-88—IRN. 13-46-2,
DATED THE 18TH OCTOBER—7TH NOVEMBER 1946.

The Chief Engineer has reported that the Lakkavalli Reservoir Project has been prepared in considerable detail both in respect of the Dam and the Channel including the tunnel and that the cost of the Scheme according to the current schedule is expected to come to Rs. 889.0 lakhs. He has also been getting a scheme prepared, in consultation with the Chief Electrical Engineer, for the generation of continuous electric power to the extent of 17,000 H.P., there being possibilities of utilising such power in view of the proximity of the Mysore Iron and Steel Works at Bhadravathi. For making preliminary arrangements for starting the works on the Dam, the Chief Engineer considers that a separate Superior Officer of the status of a Superintending Engineer with the necessary establishment is very necessary so that he may bestow undivided attention to the works and that when the actual works on the Dam and tunnel are started he may be vested with such powers as to make a complete unit in respect of execution and administration of this work of magnitude. He has also added that proposals for the establishment required for starting the works can be formulated only after the different aspects are gone into in detail and settled with the Special Officer proposed for the work. The Chief Engineer has therefore requested:—(1) administrative approval to the Lakkavalli Reservoir scheme, costing Rs. 890.0 lakhs; (2) sanction to the appointment of a Superintending Engineer with the establishment as shown in the annexure, immediately to carry out the preliminary works at site and take up all other works such as the preparation of the Rules of Regulations, etc., in pursuance of the Agreement with the Governments of Madras and Hyderabad; and (3) to entrust the Tunga Anicut work to the control of the Superintending Engineer, Lakkavalli Reservoir Works.

2. After careful consideration, Government are pleased to accord administrative sanction (1) to the Lakkavalli Reservoir Scheme costing Rs. 890.0 lakhs and (2) to the appointment of a Superintending Engineer with the establishment shown in the accompanying statement.

3. The proposal to place the Tunga Anicut Division under the control of the Superintending Engineer, Lakkavalli Reservoir Scheme, is also approved.

4. The enquiry contemplated in Chapter VI of the Irrigation Act to determine the contribution and water rate to be recovered from the raiyats may be conducted by the Deputy Commissioners of Kadur, Shimoga and Chitaldrug Districts and the report submitted with all promptitude.

No. P. W. 2581-88—IRN. 18-46-2, DATED 18TH OCTOBER—
7TH NOVEMBER 1946.

5. Government are also pleased to appoint a Committee consisting of the marginally noted officers to go into the question of channel alignment, soil survey, crop planning, anti-malarial measures and such other aspects and furnish a report very early.
1. The Revenue Commissioner (Chairman.)
 2. The Chief Engineer for Irrigation.
 3. The Director of Agriculture.
 4. The Director of Public Health.

K. D. JOSHI,
*Secretary to Government,
Public Works Department.*

To—The Chief Engineer for Irrigation,
The Revenue Commissioner in Mysore,
The Comptroller to Government through the Financial Department.
The Director of Agriculture in Mysore,
The Director of Public Health,
The Deputy Commissioners of Shimoga, Kadur and Chitaldrug Districts.

Exd.—B. G. S.

No. P. W. 2581-88—IRN. 13-46-2, DATED 18TH OCTOBER—
7TH NOVEMBER 1946.

ANNEXURE.

Statement of Establishment sanctioned for Lakkavalli Reservoir Project

No.	Designation	Pay	Average cost	Conveyance allowance	Total
		Rs.	Rs.	Rs.	Rs.
1	Special Officer	800-50-1,000	946 $\frac{2}{3}$	...	946 $\frac{2}{3}$
1	Manager	100-5-125	118 $\frac{2}{3}$	...	118 $\frac{2}{3}$
1	Head Draftsman	80-5-125	110 $\frac{2}{3}$	...	110 $\frac{2}{3}$
1	Assistant Draftsman	40-5/2-55	51	...	51
1	Typist Clerk	30-4-70	56 $\frac{2}{3}$	...	56 $\frac{2}{3}$
1	Head Clerk	50-4-70	65	...	65
1	Correspondence Clerk	30-3-45	41 $\frac{1}{2}$	...	41 $\frac{1}{2}$
4	Peons	11- $\frac{1}{2}$ -15	13 $\frac{4}{5}$	...	55 $\frac{1}{5}$
1	Accounts Clerk	40-3-70-5-100	74	...	74
EXECUTIVE					
1	Assistant Engineer	200-40/2-400	320	32	352
1	Overseer	80-5-125	108	24	132
4	Sub-Overseers	35-5/2-80	58	15	292
1	Clerk	30-3-45	41 $\frac{1}{2}$	...	41 $\frac{1}{2}$
2	Peons	11- $\frac{1}{2}$ -15	13 $\frac{4}{5}$	...	27 $\frac{3}{5}$
1	Lasker	11	11	...	11
1	Mojinidar (Rev. Surveyor)	35-5/2-80	58	15	73
Total					2,448
Locality allowance at 20% of pay					490
Total per mensem					2,938
CENTRAL OFFICE.					
1	Superintendent	100-5-125	118 $\frac{2}{3}$	...	118 $\frac{2}{3}$
2	Clerks	70-5-95	88 $\frac{1}{2}$	...	117 $\frac{1}{2}$
2	Clerks	30-4-70	56 $\frac{2}{3}$	...	113 $\frac{1}{3}$
2	Peons	11- $\frac{1}{2}$ -15	13 $\frac{4}{5}$	...	27 $\frac{3}{5}$
Total					437
P. W. SECRETARIAT.					
1	I Division Clerk	40-5-90-6-150	95	...	95
2	II Division Clerk	30-3-60-5-100	67 $\frac{1}{3}$	...	134 $\frac{2}{3}$
Total					229 $\frac{2}{3}$

97 File No. 126

Seri
No.

From the Comptroller

No. 2124 Books dated 10th Dec
1926.

Forward reports that the Govt of India have adopted at the instance of the Central Committee on Public Accounts a revised set of rules for the preparation of the Audit and Appropriation Report and that he has also ^{kept} embodied the alterations as far as possible in the preparation of the Audit & Appropriation Report for 25-26.

(1) The copy of the Audit and Appropriation Account of the Central Govt Civil for 24-25 from which extract is now given ⁱⁿ ~~is not in~~ the P.U.D. is not available in the Secretariat Library. An indent for this ^{has} ~~will~~ been sent as also for a copy of the Govt of India Finance & Rev Accounts for 24-25.

2) ~~In the meantime~~

The audit and Appropriation report now prepared is in accordance with the instructions issued in the Govt Order of 16th Oct 1925.

(3) The accounts of voted and non voted grants are now shown under separate statements vide page 2 of the order put up - There are only 9 non voted heads - of these 12 gen admin and 26 Education & Sinking Funds

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No.

9 Interest and XXIV Ryw net receipts - are heads in which part is non voted and part voted.

Sub para (1) As suggested in the P.U.D. it would not be difficult to show the voted & non voted portion of ~~as~~ a combined account ~~of~~ under each grant - -

may be appd.

5) Sub para (2) The present arrangement is to show the original grant. Modifications sanctioned by the Legislature and modifications sanctioned by Govt. net grant available - Actual Expenditure - Excess or Surplus - The Govt of India propose the exclusion of items of grants modified by executive orders of Govt. This will mean a smaller number of columns -

may be appd.

6.

As regards the substance of the Appropriation the Govt of India ~~have~~ adopted fewer subheads under each grant instead of showing all the detailed minor heads of the general accounts classification.

In our report all the minor heads according to accounts classification are detailed. If this proposal is to be approved what subheads should be shown under each grant have to be settled. -

7

The comptroller may also be asked to explain variations between grants and expenditure in greater detail than at present especially in the case of special transactions and of losses of some magnitude

The present practice may continue. we have got fewer heads than in Br. India.

Seri
No. 8

Sub para (iii) Stores accounts. (vide para 11 of 15th Oct 1925)

In the case of what stores have stores accounts have to be opened have first to be settled. There is the stock account of Branga opium etc. The comptroller will if approved be asked to give details of these accounts etc.

(iv) In the case of Estimate for new ^{under civil work} works their inclusion ^{when the amount} is 25000 Rs + more ^{and of Rs 50000 + more} in the case irrigation works - will be approved internally to comptroller.

The same principle may be observed also in the case of Special and non recurring charges.

9 Similarly the comptroller may be asked to furnish detailed information in the case of quasi commercial concerns and agricultural aid subject to relaxed audit.

10 As regards mention of irregularities the present rules are that Subjudice cases should never be mentioned (vide Section 3 g to H. of the order of 15th October 1926).

11 The suggestion that only such changes in classification as affect the classification of grants - should be ^{noted} reported in the report is a good one and if approved that may be followed in our reports also.

Shed for order
15/12/26
16/12/26

We may adopt the
G of 9 form

vide 71 sec's note -
on 12/12/26

Serial
No.

12 The Comptroller's proposals may be approved except perhaps as regards clubbing together detailed heads (vide note in P. u. D).

13 It is not clear why the Govt of India do not want important financial irregularities being reported even prior to orders of Govt being passed on them. At present these are being reported although our rules ~~do~~ provide otherwise. Perhaps the existing practice may continue. ~~to~~ ~~be~~ ~~continued~~

less)

By
18/11

I

P. u. D

14 The Government order of 15th October 1925 lays down the lines on which the Audit and Appropriation Report has to be prepared by the Comptroller. The report for 1924-25 was submitted by the Comptroller in accordance with this order and dealt with by the Public Accounts Committee.

15 The Comptroller's letter explains the main features of the improvements effected in British India in the Report to be placed before the Public Accounts Committee. The revision has been effected so as to make the Audit Report, an independent report, for the executive Government and the Appropriation Report (duly enlarged) as "Audit and Appropriation account" for the Executive Government as well as the Committee on Public Accounts. Accordingly matters relating to

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No.

Analysis of
audit activities, ~~analogous~~ objections, general comments on the expenditure in the last month of the year (as opposed to specific irregularities) and statistics of objections and their review are included in the Audit report while portions dealing with financial irregularities are brought out in the report to be placed before the Public Accounts Committee. The scope of the report to be dealt with by the Committee is, besides, enlarged so as to make it a complete and self-contained report on the 'Audit and Appropriation accounts' referred to in the Legislative rules.

16 Both the Audit report and the Appropriation report are contained in one volume here and this procedure may continue, the form of some of these reports as revised in British India being usefully adopted as far as practicable.

(7) The report on Audit and Appropriation accounts of 1924-25 was submitted to the Public Accounts Committee in British India in the new form and that Committee greatly appreciated its value.

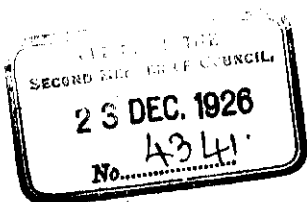
The new form is the quintessence of wisdom and experience in Great Britain and British India.

(8) The Comptroller's proposal of adopting as far as possible improvements in preparing the report for 1925-26 ^{therein} may be approved. After perusing this report, the order of 15th October 1925 may be suitably revised for future guidance as a S.O.

2nd member)

19

22.12.26



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No.

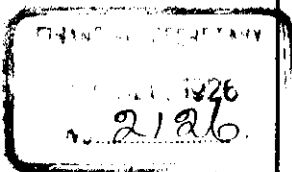
20 I agree that the form and substance of the report may be modified on the lines proposed. There are, however, a few points for consideration.

21. What is meant by saying that a separate Audit Report is prepared for the Ex. Com. and an Audit & Appr. Report for the Legislature is unclear. Is it meant that the P.A. Committee is not to go into points mentioned in the former Report?

22. What are the audit points to be noticed in the two Reports? It is proposed not to notice departure from reg. rules. Can this procedure be adopted under the rules regulating the Work of the Committee? These rules require the Comptroller to report such departures to the Committee & consider them.

23. We have not been including in the Report Trading Accts & B.S.'s of Commercial Concerns. Tho a desirable change, the matter requires consideration before the Amendment is adopted.

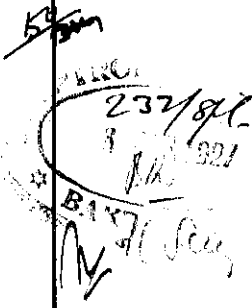
2240
4/11/27



Placed in 7/1/27

97-26

North-Corin. Sheet



To Comptroller with Compliment for note and for further remarks on the points above reported

Made 24-12-26

4/21/27 5/1/27

WID 80-GPB-100 books of 100 sheets each-12-7-21

Tappal File

2nd meeting 6/12

Please obtain from comph
a copy of the Manual
9 notes referred to & submit
to member with the manual.
Manual to be returned
when done with

Not
available
through
internet
etc

12
3/2

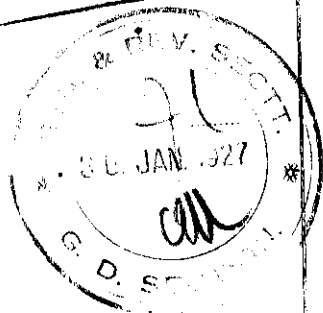
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Serial
No.

260 N. 1646 29-1-27
Booths

Re S. No. 514 of 29-1-27
Sfr



25 Returned with Compliments

26 The scope of the Audit Report - as distinguished from the Audit and Appropriation Accounts submitted to the Public Accounts Committee - is described as follows in para 219 of the Manual of Instructions for the Preparation of Audit and Appropriation Reports (Govt of India).

"The main object of the Audit Report is to present to the Executive Government, several months before it is possible to submit the Audit and Appropriation Accounts, a collective review of the results of the audit applied to transactions, in a form calculated to enable it to proceed at once

(i) to reconsider, if necessary, the action already taken by it on individual financial irregularities especially if the accountant General has held that the action taken is inadequate.

(ii) to expedite the settlement of cases of individual financial irregularity which may still

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No.

under the Consideration of itself or Subordinate authorities; and

(iii) to deal with types of irregularity as distinguished from individual irregularity, and to take such remedial measure or other measures as may be necessary to stop them or to promote regularity otherwise!

27 These points would also be included in the other report and go before the Public Accounts Committee.

28 It is not intended to ignore reapp^{ns}. What is intended ~~is~~ is that in comparing expenditure with grant, the original grant sanctioned by the legislature and additional grants should alone be taken into account and not the ~~re~~ grants as modified by orders of reappⁿ. of Executive Government. Orders of reappropriation will however be scrutinised and commented on separately.

29 Trading Accounts and Balance Sheets of Commercial Concerns have not been included in the Report now prepared. Their inclusion may be

Serial
No.

Separately Considered; as suggested.
by the member -

S. Khan Am
28.1.27

For perusal.

A draft to modify the form of the App. and
~~the App. and~~ and audit report will be
put up as stated in para 18 supra.

2nd member)

h
1.2.27
B

4.2.27

We may commit the Committee
which meets on 14th inst.

The draft order may be shown
to them - over

4.2.27

4.2.27

h
4.2.27

Dft order involving supplementary instructions
is put up for approval

over 21
11/2/27

For dft. please

B
14/2
15

The matter was placed before the committee
and they were in favour of the revision
proposed by the committee. The draft order
already put up is for approval

subd by
over 18/2

7185) Then 19/2
over 20/2
The Committee report 20/2

CLERK
SECOND FEB 1927
3 FEB. 1927
No. 5260

3225

Recd. 4 p.m.
4.2.27

IOIAL SECRETARIAT
5 - FEB 1927

15 FEB.
No. 2695

adopted in the
Current year report

FINANCIAL SECRETARIAT
21 FEB 1927

18/2
15/2/27

Serial
No.

The committee's Report is put up. then
subd with refce to the Secy's note dated 20.2.27.
may be off for appt or other orders

81 1/2 27)

By
8/4

7/55)

The draft as amplified
your note amplified
3rd member)

4
11/4/9
R

182
14/4

Issued
12/4
R

To complete
Issued no of 80340 16 4/27

Sub has
received
received copy
brought
to the
on 26.4.27

8 APR.
No. 5833

OFFICE OF THE
SECOND MEMBER OF COUNCIL
12 APR. 1927
No. 6357

86066

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Bangalore, Dated 12th December 1925

FROM

S. SHAMANNA, Esq., B.A.,

Comptroller to the Government of

His Highness the Maharaja of Mysore,

BANGALORE

To

B. Srinivasa Iyengar Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Financial Department, Bangalore.

DIARY NO.

19 26 - 12 25
Section C. P. A.
File No. 125 26
Serial N. 1

Sir,

I have the honor to state that at the instance of the ^{and} ~~Centr~~
Committee on Public Accounts the Government of India, Finance Depart-
ment, a detailed enquiry was conducted in the office of the Auditor
General into the possibility of elaborating the information given to
the Committee in the Appropriation Reports and of remodelling those
reports as far as possible on the lines on which the corresponding
reports are prepared in Great Britain by the Auditor-General. A
report was accordingly prepared and the ^{Accountant} ~~Auditor~~-General, Central
Revenues, has prepared the Audit and Appropriation Accounts of the
Central Government (Civil) for the year 1924-1925 in accordance with
the recommendations therein made. In the prefatory remarks the
changes that have been introduced in the preparation of the report
have been explained as extracted below:-

" The changes introduced in the re-
organised Audit Report have been described
in detail in the first Audit Report on the
accounts of the Central Government (Civil)
for the year 1924-25, which is already out.
The changes, which it has been decided to
introduce in the re-organised Audit and
Appropriation Accounts, with a view mainly

Put up
4

13-12-25

Very
Early
with
w/ps-
The Comptroller
has prepared
the report
(approved)
any
13-12-25

✓ (i) to include therein all matters falling within the jurisdiction of the Committee on Public Accounts, and

(ii) to remodel and improve the substance thereof on the lines of the British reports, are detailed below:-

(a) The form of the Appropriation Accounts should be remodelled and simplified on the following lines:-

(i) The detailed accounts of each Grant by circles of account (India, Madras, Bombay etc), hitherto given in the Appropriation Report, should be abolished, as from the point of view of the Committee on Public Accounts, reviewing the Appropriation Accounts, such a division of the total expenditure of a department ~~or~~ subject has no particular significance. The single account of the Grant should be a consolidated account showing the expenditure on each head of service and not one showing the expenditure in each circle of account.

(ii) The accounts of voted and non-voted charges should not be separate. There should be a combined account of each Grant the voted and non-voted charges falling under each head of service being shown therein separately and in juxtaposition.

(1) May be accepted

(iii) The Appropriation Account should compare the actual expenditure with the Grant as sanctioned by the authority concerned (viz., the Legislature for voted charges, and the Finance Department for non-voted charges) - original as well as supplementary grants - and not with the grant as

no appropriation

h

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as finally amended by orders of re-appropriation issued by executive authorities. The modifications made by those orders, should be excluded altogether from the account.

(iv) As a corollary to (ii) and (iii) above, the form of the Appropriation Account should be simplified by reducing the number of columns from 13 to 5 only, separate columns for supplementary grants being also unnecessary. This incidentally facilitates a reduction in the size (from foolscap to royal octavo) of the volume containing the Appropriation Accounts and thus economises substantially the cost of printing and paper.

(b) The substance of the Appropriation Accounts should be improved and remodelled as indicated below:-

(i) The Appropriation Account of each Grant should not necessarily be detailed by the minor heads of the general accounts classification but by suitable sub-heads prescribed specially for the Grant with reference to the purpose of expenditure, in accordance with certain general principles which may be prescribed for the purpose by the Finance Department and consistently with the requirements of the Finance and Revenue Accounts.

(ii) Suitable Notes should be appended to the Appropriation Accounts, and these should follow, as closely as possible, in the peculiar circumstances of the system of accounts and audit in force in India,

Has this been done

Yes No

The present practice may continue

Yes

the procedure observed in Great Britain. Not only should the explanations of the variations between Grant and Expenditure be fuller than at present, but supplementary information should be appended in respect of special transactions and of losses, irregularities, etc., connected with the expenditure brought to account.

may be adopted
B

(iii) Store accounts - whether subject to the audit of the Indian Audit Department or not - in simple form, should be prepared in respect of important stocks and appended to the Appropriation Account of the Grants out of which they are financed.

DO

B

(iv) In support of those sub-heads of an Appropriation Account which deal with expenditure on New works (whether executed by the Public Works Department or by another Department), detailed statements should be appended to the account showing the expenditure on each important major work (costing more than a specified sum, say, Rs.50,000, for Civil Works and Rs.1 lac for Irrigation Works) and comparing the progressive expenditure with the sanctioned amount.

which was
reduced to 25000 &
50000
which was for details

(v) Similar information should be exhibited either in appended statements or in footnotes to the Appropriation Accounts concerned, as may be suitable, in respect of important special and non-recurring charges other than expenditure on New Works, e.g., those connected with political or trade missions, committees, conferences, schemes of enquiry or reorganisation, etc., etc.

It -
may be appd

of the year
as well as
the progres-
sive expendi-
-ture

any

(vi) For important quasi-commercial concerns suitable trading accounts, balance sheets, etc., should be appended.

ms be appd

(vii) A clear distinction should be observed in all Appropriation Accounts, between expenditure which is properly subject to the relaxed audit peculiar to grants-in-aid and other expenditure, and for the expenditure incurred in the form of grants-in-aid such information should be appended to the Appropriation Accounts as may be specified in each case in accordance with any general principles which may be settled.

(c) The Report on the Appropriation Accounts should be made more comprehensive than at present by including in it the Audit Officers' observations relating to serious financial irregularities (which hitherto used to be mentioned in the separate Audit Report), and these observations should be classified by Grants, so that the Committee on Public Accounts or other authority reviewing a particular Appropriation Account, may be able to deal readily with the serious irregularities connected with it. * All financial irregularities otherwise worthy of mention should be mentioned, even though the orders of the Government thereon may not have issued, and the practice hitherto followed of withholding mention of all those under consideration should be discontinued as it often leads to such delay in the presentation of cases to the Committee on Public Accounts as to militate seriously against the adequacy of their consideration of such cases.

** vide page 6.*

ms be appd
Rae

am
This is for orders -
We need not perhaps
follow the G.O. India
when appears to have
gone back in this
vide attchng

cases.

* This decision has since been modified, and it has been held that the Auditor should ordinarily bring cases of irregularity before the Committee on Public Accounts not ex parte but after the Administration has been given opportunity of explaining the alleged impropriety. The modified decision will be given effect to in the next audit and Appropriation Accounts.

Revised and approved.

✓ (d) A complete list of all changes effected during the year in the prescribed classification of the general accounts need not be given. It would suffice to mention only those changes which affect the classification of Grants, the classification of expenditure major and minor heads and of sub-heads of Grants, or the form etc., of the Appropriation Accounts.

an/ 3. These are the first Audit and Appropriation Accounts prepared, so far as possible, in accordance with the above decision.

x x x x x

5. The object of these Audit and Appropriation Accounts in the new form is to

present

to present the audited accounts of all the grants of the year, whether voted or non-voted, in the form of a separate Appropriation Account for each grant, and to be the vehicle of the more important observations arising as the result of audit. They consist of Accounts and of a Report thereon, which precedes the Accounts.

The Account portion consists of the following:-

(a) A combined Appropriation Account, or a Summary by Accounts followed by a number of Accounts of voted and non-voted charges falling under each expenditure head or set of heads in respect of which a separate grant for the expenditure of the year under review was sanctioned either by the Legislature or by the Finance Department.

(b) An Appropriation Account for each debt head or set of debt heads for which a separate grant was obtained from the Legislature.

(c) 'Notes' giving in support of each of these Appropriation Accounts:-

(i) brief explanations of the variations between the grant and the expenditure,

(ii) such subsidiary statements, accounts, or other information, as have been prescribed and have become available.

(d) A Grand Summary of the Appropriation Accounts by Grants.

The Report on the Accounts deals with the following in separate sections:-

(a) General Review of Appropriation Accounts.

(b) Important Comments on individual appropriation accounts.

(c) Changes in form and classification.

(d) Miscellaneous observations.

6. An analysis under Grants of the Report on the Accounts showing to which accounts specific reference has been made in the Report, and a general index to the Audit and Appropriation Accounts, have also been prepared and appended at the end."

2. The above changes are mostly ^{aimed} ~~arrived~~ at changing the form of the Appropriation Report so as to make it more complete, informing, and better arranged and they may, I think, be adopted with advantage in preparing similar reports here. In anticipation of approval of Government, I have adopted these changes as far as possible in preparing the Report for 1925-26, which is to be submitted to Government shortly.

I have the honour to be,

Sir,

Your most obedient servant,

J. H. Munn
Comptroller.

S.S.

J. H. Munn

Proceedings of the Government of His Highness

The Maharaja of Mysore.

Read:- Government order No.F1.2080-9/G.F.79-25-2 dated 15th October 1925 and No.F1.3213-32/G.F.79-25- dated 8th December 1925 indicating the lines on which the Audit and Appropriation Report commencing with that for the year 1924-25 should be prepared and appending a set of rules for guidance in preparing the report.

2. Letter No.1124/Bks. dated 10th December 1925 from the Comptroller reporting that the Government of India have, at the instance of the Central Committee on Public Accounts, adopted a revised set of rules for the preparation of the Audit and Appropriation Report and requesting sanction to the adoption of the same rules in Mysore (To be printed in extenso)

3. Para 19 of G.O.No.F1.5966-6005/G.F.281-25-2 dated 27th January 1927 passing orders on the recommendations of the Public Accounts Committee regarding certain changes proposed in the Audit and Appropriation Report.

Order No.F1. 8034 /G.F. 125. 26-2.
Dated, Bangalore, 16th April 1927.

1. In the order of 15th October 1925 read above, Government laid down the lines on which the Audit and Appropriation Report should be prepared for submission to the Public Accounts Committee.

2. The report for 1924-25 was submitted by the Comptroller in the form prescribed in the said order and in dealing with the report, the Public

Accounts Committee noticed that the statement of appropriation accounts appended to the Comptroller's report did not ^{show} separately the savings on grants and suggested certain improvements in the form of the report. The suggestions of the Public Accounts Committee were approved by Government.

3. The Government of India having sanctioned some useful changes in the form of the report for presentation to the Public Accounts Committee, the Comptroller solicited ~~the~~ orders for the preparation of the report in the revised form approved by the Government of India.

4. The report on the accounts of 1925-26 was prepared by the Comptroller in the new form and was dealt with by the Public Accounts Committee who have approved of the modifications incorporated ^{by the Comptroller} in the report *on the basis of that year.*

5. The main features of the improvements effected in British India in the Report to be placed before the Public Accounts Committee are explained in the Comptroller's letter read above. The revision in British India has been effected so as to make the Audit report an independent report for the executive government and the Appropriation Report (duly enlarged) as "Audit and Appropriation Report" for the executive government as well as the Committee on Public Accounts. Accordingly matters relating to audit activities analysis of objections, general comments on the expenditure in the last month of the official year (as opposed to specific irregularities) and statistics of objections and their review are included in the Audit Report, while the scope of the Audit and Appropriation Report to be dealt with

dealt with by the Public Accounts Committee has been enlarged so as to make it a complete and self-contained report on the Audit and Appropriation accounts referred to in the Legislative Rules.

6. At present in Mysore, both the Audit Report and Appropriation Report are contained in one volume. Government consider that this procedure may be continued, the form of each of these reports as revised in British India being usefully adopted as far as practicable.

7. The Comptroller's proposals for the revision of the Audit and Appropriation Report are ^{accepted} approved. The rules appended to the Government order of 15th October 1925 will in so far as they are not modified by this order, continue to ^{be in} be in force.

CSH
11/4/27
 Financial Secretary to Govt.

11/11/27
 To

The Comptroller to Government of Mysore.

13/4/27

A.N.N.F.X.V.B.E.

Letter No.1124/Books dated 10th December 1926
from the Comptroller to Government, to the Secretary to
Government, Financial Department, Bangalore.

* * * * *

I have the honor to state that at the instance of the Central Committee on Public Accounts and the Government of India, Finance Department, a detailed enquiry was conducted in the office of the Auditor-General into the possibility of elaborating the information given to the Committee in the Appropriation Reports and of remodelling those reports as far as possible on the lines on which the corresponding reports are prepared in Great Britain by the Auditor-General. A report was accordingly prepared and the Accountant-General, Central Revenues, has prepared the Audit and Appropriation Accounts of the Central Government (Civil) for the year 1924-1925 in accordance with the recommendations therein made. In the prefatory remarks the changes that have been introduced in the preparation of the report have been explained as extracted below:-

" The changes introduced in the re-organised Audit Report have been described in detail in the first Audit Report on the accounts of the Central Government (Civil) for the year 1924-25, which it has been decided to introduce in the re-constituted Audit and Appropriation Accounts, with a view mainly -

(1) to include therein all matters falling within the jurisdiction of the Committee on Public Accounts, and

(2) to remodel and improve the -

the substance thereof on the lines of the British reports, are detailed below:-

(a) The form of the Appropriation Accounts should be remodelled and simplified on the following lines:-

(i) The detailed accounts of each Grant by circles of account (India, - Madras, Bombay etc.), hitherto given in the Appropriation Report, should be abolished, as from the point of view of the Committee on Public Accounts, reviewing the Appropriation Accounts, such a division of the total expenditure of a department or subject has no particular significance. The single account of the Grant should be a consolidated - account ~~of the~~ showing the expenditure in each circle of account.

(ii) The accounts of voted and non-voted charges should not be separate. - There should be a combined account of each Grant the voted and non-voted charges - falling under each head of service being shown therein separately and in juxtaposition.

(iii) The Appropriation Account should compare the actual expenditure with the Grant as sanctioned by the authority concerned (viz., the Legislature for voted charges, and the Finance Department for nonvoted charges) - original as well as supplementary grants - and net with the grant as finally amended by orders of re-appropriation issued by executive authorities. The modifications

modifications made by those orders, should be excluded altogether from the accountant.

(iv) As a corollary to (ii) and (iii) above, the form of the Appropriation Account should be simplified by - reducing the number of columns from 13 to 5 only, separate columns for supplementary grants being also unnecessary. This incidentally facilitates a reduction in the size (from foolscap to - royal octavo) of the volume containing the Appropriation Accounts and thus economises substantially the cost of printing and paper.

(b) The substance of the Appropriation Accounts should be improved and remodelled as indicated below:-

(i) The Appropriation Account of each Grant should not necessarily be detailed by the minor heads of the general accounts classification but by - suitable sub-heads prescribed specially for the Grant with reference to the purpose of expenditure, in accordance with certain general principles which may be prescribed for the purpose by the Finance Department and consistently with the requirements of the Finance and Revenue Accounts.

(ii) Suitable Notes should be appended to the Appropriation Accounts, and these should follow, as closely as possible in the

the peculiar circumstances of the system of accounts and audit in force in India, the procedure ~~is~~ observed in Great Britain. Not only should the explanations of the variations between Grant and Expenditure be fuller than at present, but supplementary information should be appended in respect of special transactions and of losses, irregularities, etc., connected with the expenditure brought to account.

(iii) Store accounts - whether subject to the audit of the Indian Audit Department or not - in simple form, should be prepared in ~~a~~ respect of important stocks and appended to the Appropriation Account of the Grants out of which they are financed.

(iv) In support of these sub-heads of an Appropriation Account which deal with expenditure on New works (whether executed by ~~the~~ the Public Works Department or by another Department), detailed statements should be appended to the account showing the expenditure of the year as well as the progressive expenditure on each important major work (costing - more than a specified sum, say, Rs.50,00, for Civil Works and Rs.1,00,000 for Irrigation Works) and comparing the progressive expenditure with the sanctioned amount.

(v) Similar information should be exhibited either in appended statements or in footnotes to the Appropriation Accounts concerned, as may be suitable, in

in respect of important special and non-recurring charges other than expenditure on New Works, e.g., those connected with political or trade missions, committees, conferences, schemes, of enquiry or reorganisation, etc., etc.

(vi) For important quasi-commercial concerns suitable trading accounts, balance sheets, etc., should be appended.

(vii) A clear distinction should be observed in all Appropriation Accounts, between expenditure which is properly subject to the relaxed audit peculiar to grants-in-aid such information should be appended to the Appropriation Accounts as may be specified in each case in accordance with any general principles which may be settled.

(c) The Report on the Appropriation Accounts should be made more comprehensive than at present by including in it the Audit Officers' observations relating to serious financial irregularities (which hitherto used to be mentioned in the separate Audit Report), and these observations should be classified by Grants, so that the Committee on Public Accounts or other authority reviewing a particular Appropriation Account, may be able to deal ~~in~~ readily with ~~the~~ the serious irregularities connected with it. * All financial irregularities ~~xxx~~ ~~xxxxxxxx~~ ~~xxx~~ otherwise worthy of mention should be mentioned, even though the

the orders of the Government thereon - may not have issued, and the practice hitherto followed of withholding mention of all those under consideration should be discontinued as it often leads to such delay in the presentation of cases to the Committee on Public Accounts as to militate seriously against the adequacy and of their consideration of such cases.

This decision has since been modified, and it has been held that the Auditor should ordinarily bring cases of irregularity before the Committee on Public Accounts not ex parte but after the Administration has been given opportunity of explaining the alleged impropriety. The modified decision will be given effect to in the next audit - and Appropriation Accounts.

(d) A complete list of all changes effected during the year in the prescribed classification of the general accounts - need not be given. It would suffice to mention only those changes which affect the classification of Grants, the classification of expenditure major and minor heads and of sub-heads of Grants, or the form etc., of the Appropriation Accounts.

3. These are the first Audit and Appropriation Accounts prepared, so far as possible, in accordance with the above decision.

X X X X

5. The object of these Audit and Appropriation

Appropriation Accounts in the new form is to present the audited accounts of all the grants of the year, whether - voted or non-voted, in the form of a separate Appropriation Account for each grant, and to be the vehicle of the more important observations arising as the - result of audit. They consist of Accounts and of a Report thereon, which precedes - the Accounts.

The Account as portion consists of the following:-

(a) A combined Appropriation Account, or a Summary by Accounts followed by a number of Accounts of voted and non-voted charges falling under each expenditure head or set of heads in respect of which a separate grant for the expenditure of the year under review was sanctioned either by the Legislature or by the Finance Department.

(b) An Appropriation Account for each debt head or set of debt heads for which a separate grant was obtained from the - Legislature.

(c) 'Notes' giving in support of - each of these Appropriation Accounts:-

(1) brief explanations of the variations between the grant and the expenditure.

(ii) such subsidiary statements, accounts, or other information, as have been prescribed and have become available.

(d) A Grand Summary of the Appropriation

Appropriation Accounts by Grants.

The Report on the Accounts deals with the following in separate sections:-

- (a) General Review of Appropriation Accounts.
- (b) Important Comments on individual appropriation accounts.
- (c) Changes in form and classifications
- (d) Miscellaneous observations.

6. An analysis under Grants of the Report, on the Account showing to which accounts specific reference has been made in the Report, and a general index to the Audit and Appropriation Accounts, have also been prepared and appended at the end."

2. The above changes are mostly aimed at changing the form of the Appropriation Report so as to make it more complete, informing, and better arranged and they may, I think be adopted with advantage in preparing similar reports here. In anticipation of approval of Government, I have adopted these changes as far as possible in preparing the Report for 1925-26, - which is to be submitted to Government shortly.

* * * *

Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 8034—G. F. 125-26-2, dated 16th April 1927.

Revision.

Approves of the Comptroller's proposal for the — of the Audit and Appropriation Report.

READ—

Government Order No. Fl. 2080-9—G. F. 79-25-2, dated 15th October 1925 and No. Fl. 3213-32—G. F. 79-25, dated 8th December 1925, indicating the lines on which the Audit and Appropriation Report commencing with that for the year 1924-25, should be prepared and appending a set of rules for guidance in preparing the report.

2. Letter No. 1124—Bks. dated 10th December 1925, from the Comptroller reporting that the Government of India have, at the instance of the Central Committee on Public Accounts, adopted a revised set of rules for the preparation of the Audit and Appropriation Report and requesting sanction to the adoption of the same rules in Mysore (Printed as annexure.)

3. Para 19 of Government Order No. Fl. 5966-6005—G. F. 281-25-2, dated 27th January 1927, passing orders on the recommendation of the Public Accounts Committee regarding certain changes proposed in the Audit and Appropriation Report.

ORDER NO. FL. 8034—G. F. 125-26-2, DATED 16TH APRIL 1927.

1. In the order of 15th October 1925, read above, Government laid down the lines on which the Audit and Appropriation Report should be prepared for submission to the Public Accounts Committee.

2. The report for 1924-25 was submitted by the Comptroller in the form prescribed in the said order and in dealing with the report, the Public Accounts Committee noticed that the statement of appropriation accounts appended to the Comptroller's report did not show separately the savings on grants and suggested certain improvements in the form of the report. The suggestions of the Public Accounts Committee were approved by Government.

3. The Government of India having sanctioned some useful changes in the form of the report for presentation to the Public Accounts Committee, the Comptroller solicited orders for the preparation of the report in the revised form approved by the Government of India.

4. The report on the accounts of 1925-26, was prepared by the Comptroller in the new form and was dealt with by the Public Accounts Committee who have approved of the modifications incorporated by the Comptroller in the report on the accounts of that year.

5. The main features of the improvements effected in British India in the Report to be placed before the Public Accounts Committee are explained in the Comptroller's letter read above. The revision in British India has been effected so as to make the Audit report an independent report for the executive Government and the Appropriation Report (duly enlarged) as "Audit and Appropriation Report" for the executive Government as well as the Committee on Public Accounts. Accordingly matters relating to audit activities analysis of objections, general comments on the expenditure in the last month of the official year (as opposed to specific irregularities) and statistics of objections and their review are included in the Audit Report, while the scope of the Audit and Appropriation Report to be dealt with by the Public Accounts Committee has been enlarged so as to make it a complete

No. FL. 8034—G. F. 125-26-2, DATED 16TH APRIL 1927.

and self-contained report on the Audit and Appropriation Accounts referred to in the Legislative Rules.

6. At present in Mysore, both the Audit Report and Appropriation Report are contained in one volume. Government consider that this procedure may be continued, the form of each of these reports as revised in British India being usefully adopted as far as practicable.

7. The Comptroller's proposals for the revision of the Audit and Appropriation Report are accordingly approved. The rules appended to the Government Order of 15th October 1925 will in so far as they are not modified by this order, continue however to be in force.

B. SREENIVASA IYENGAR,
*Secretary to Government,
Financial Department.*

To—The Comptroller to Government of Mysore.

Exd.—P. S. R. N.

ANNEXURE.

Letter No. 1124—Books, dated 10th December 1926, from the Comptroller to Government, to the Secretary to Government, Financial Department, Bangalore.

I have the honor to state that at the instance of the Central Committee on Public Accounts and the Government of India, Finance Department, a detailed enquiry was conducted in the office of the Auditor-General into the possibility of elaborating the information given to the Committee in the Appropriation Reports and of remodelling those reports as far as possible on the lines on which the corresponding reports are prepared in Great Britain by the Auditor-General. A report was accordingly prepared and the Accountant-General, Central Revenues, has prepared the Audit and Appropriation Accounts of the Central Government (Civil) for the year 1924-25 in accordance with the recommendations therein made. In the prefatory remarks the changes that have been introduced in the preparation of the report have been explained as extracted below :—

The changes introduced in the reorganised Audit Report have been described in detail in the first Audit Report on the accounts of the Central Government (Civil) for the year 1924-25, which is already out. The changes which it has been decided to introduce in the re-constituted Audit and Appropriation Accounts, with a view mainly.—

(1) To include therein all matters falling within the jurisdiction of the Committee on Public Accounts, and

(2) To remodel and improve the substance thereof on the lines of the British reports, are detailed below :—

(a) The form of the Appropriation Accounts should be remodelled and simplified on the following lines :—

(i) The detailed accounts of each grant by circles of account (India, Madras, Bombay, etc.), hitherto given in the Appropriation Report, should be abolished, as from the point of view of the Committee on Public Accounts, reviewing the Appropriation Accounts, such a division of the total expenditure of a department or subject has no particular significance. The single account of the grant should be a consolidated account showing the expenditure of each head and not one showing the expenditure, in each circle of account.

(ii) The accounts of voted and non-voted charges should not be separated. There should be a combined account of each grant the voted and non-voted charges falling under each head of service being shown therein separately and in juxtaposition.

(iii) The Appropriation Account should compare the actual expenditure with the grant as sanctioned by the authority concerned (*viz.*, the Legislature for voted charges, and the Finance Department for non-voted charges), original as well as supplementary grants and not with the grant as finally amended by orders of re-appropriation issued by executive authorities. The modifications made by those orders, should be excluded altogether from the account.

(iv) As a corollary to (ii) and (iii) above, the form of the Appropriation Account should be simplified by reducing the number of columns from 13 to 5 only, separate columns for supplementary grants being also unnecessary. This incidentally facilitates a reduction in the size (from foolscap to royal octavo) of the volume containing the Appropriation Accounts and thus economises substantially the cost of printing and paper.

(b) The substance of the Appropriation Accounts should be improved and remodelled as indicated below :—

(i) The Appropriation Account of each grant should not necessarily be detailed by the minor heads of the general accounts classification but by suitable sub-heads prescribed specially for the grant with reference to the purpose of expenditure, in accordance with certain general principles which may be prescribed for the purpose by the Finance Department and consistently with the requirements of the Finance and Revenue Accounts.

(ii) Suitable Notes should be appended to the Appropriation Accounts, and these should follow, as closely as possible in the peculiar circumstances of the system of accounts and audit in force in India, the procedure observed in Great Britain. Not only should the explanations of the variations between grant and Expenditure be fuller than at present, but supplementary information should be appended in respect of special transactions and of losses, irregularities, etc., connected with the expenditure brought to account.

No. FL. 8034—G. F. 125-26-2, DATED 16TH APRIL 1927.

(iii) Store accounts—whether subject to the audit of the Indian Audit Department or not—in simple form, should be prepared in respect of important stocks and appended to the Appropriation Account of the Grants out of which they are financed.

(iv) In support of those sub-heads of an Appropriation Account which deal with expenditure on New Works (whether executed by the Public Works Department or by another Department), detailed statements should be appended to the account showing the expenditure of the year as well as the progressive expenditure on each important major work (costing more than a specified sum, say, Rs. 5,000 for Civil Works and Rs. 1,00,000 for Irrigation Works) and comparing the progressive expenditure with the sanctioned amount.

(v) Similar information should be exhibited either in appended statements or in footnotes to the Appropriation Accounts concerned, as may be suitable, in respect of important special and non-recurring charges other than expenditure on New Works, e.g., those connected with political or trade missions, committees, conferences, schemes, of enquiry or reorganisation, etc., etc.

(vi) For important quasi-commercial concerns suitable trading accounts, balance sheets, etc., should be appended.

(vii) A clear distinction should be observed in all Appropriation Accounts, between expenditure which is properly subject to the relaxed audit peculiar to grants-in-aid and other expenditure and for the expenditure incurred in the form of grant-in-aid such information should be appended to the Appropriation Accounts as may be specified in each case in accordance with any general principles which may be settled.

(c) The Report on the Appropriation Accounts should be made more comprehensive than at present by including in it the Audit Officers' observations relating to serious financial irregularities (which hitherto used to be mentioned in the separate Audit Report), and these observations should be classified by Grants, so that the Committee on Public Accounts or other authority reviewing a particular Appropriation Account may be able to deal readily with the serious irregularities connected with it. All financial irregularities otherwise worthy of mention should be mentioned, even though the orders of the Government thereon may not have issued, and the practice hitherto followed of withholding mention of all those under consideration should be discontinued as it often leads to such delay in the presentation of cases to the Committee on Public Accounts as to militate seriously against the adequacy of their consideration of such cases.

This decision has since been modified and it has been held that the Auditor should ordinarily bring cases of irregularity before the Committee on Public Accounts not *ex parte* after the Administration has been given opportunity of explaining the alleged improvement. The modified decision will be given effect to in the next Audit and Appropriation Accounts.

A complete list of all changes effected during the year in the prescribed classification of the general accounts need not be given. It would suffice to mention only those changes which affect the classification of Grants, the classification of expenditure under major heads and of sub-heads of Grants, or the form, etc., of the Appropriation Accounts.

3. The first Audit and Appropriation Accounts prepared so far as possible in accordance with the above decision.

The object of these Audit and Appropriation Accounts in the new form is to present the audited accounts of all the grants of the year, whether voted or non-voted, in the form of a separate Appropriation Account for each grant, and to be the vehicle of the more important observations arising as the result of audit. They consist of Accounts and of a Report thereon, which precedes the Accounts.

The Account portion consists of the following:—

(a) A combined Appropriation Account, or a Summary by Accounts followed by a number of Accounts of voted and non-voted charges falling under each expenditure head or set of heads in respect of which a separate grant for the expenditure of the year under review was sanctioned either by the Legislature or by the Finance Department.

(b) An Appropriation Account for each debt head or set of debt heads for which a separate grant was obtained from the Legislature.

(c) 'Notes' giving in support of each of these Appropriation Accounts:—

(i) Brief explanations of the variations between the grant and the expenditure.
(ii) Such subsidiary statements, accounts, or other information, as have been prescribed and have become available.

(d) A Grand Summary of the Appropriation Accounts by Grants.

No. FL. 8034—G. F. 125-26-2, DATED 16TH APRIL 1927

The Report on the Accounts deals with the following in separate sections:—

- (a) General Review of Appropriation Accounts.
- (b) Important Comments on individual appropriation accounts.
- (c) Changes in form and classifications.
- (d) Miscellaneous observations.

6. An analysis under Grants of the Report on the Account showing to which accounts specific reference has been made in the Report, and a general index to the Audit and Appropriation Accounts, have also been prepared and appended at the end.

2. The above changes are mostly aimed at changing the form of the Appropriation Report so as to make it more complete, informing, and better arranged and they may, I think be adopted with advantage in preparing similar reports here. In anticipation of approval of Government, I have adopted these changes as far as possible in preparing the Report for 1925-26, which is to be submitted to Government shortly.